



TE KOTA HITANGA O  
**TE ATAWA**  
TARANAKI

**2016**  
ANNUAL REPORT

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## CHAIRS REPORT

Kei ngā uri mokopuna o Te Kāhui Maunga, o ngā uruwaka, o Te Ati Awa nui tonu, 'ko te toki tē tangatanga i te rā', ka mihi ka tangi. Ka tangi atu ki ērā kua hipa ki taupae nui, ki te waro hunanga o te tangata... maatu atu koutou...haere... e oki. Kei taku iti, kei taku rahi, kei te iwi nui tonu, e tungou atu nei mātou ngā mema o te poari ki te wherawhera i ngā nekehanga o te tau, me ngā kaupapa o te wā. Me pehea he kupu hei whaariki i ngā kupu whakamihi...kotahi anō ia... Tēnā koutou katoa!

It is with pleasure that this Annual Report is presented on behalf of the board and staff of Te Kotahitanga o Te Atiawa Trust. Although this is the second annual report for the Trust, it is the first with a fully elected board of trustees in place.

In the 12 month period for this report, the board have been focussed on preparing a foundation from which Te Atiawa can continue to build and grow. Much of this mahi has included continuing work on the establishment of our iwi structure and progressing our Te Atiawa settlement legislation post balance date, as well as the engagement with iwi members on the strategic direction and strategic priorities for the Trust over the next five years.

While the passing of our settlement legislation was not concluded during the period of this report, we are confident of this occurring in the next financial year for the Trust.

Included in this Annual Report are our Te Kotahitanga o Te Atiawa Trust financial statements for the year ended 30 June 2016. You will note that the settlement assets received to date have been invested conservatively to ensure that the value is maintained until the transfer of these assets to the commercial arm of the Trust.

It has been a privilege to lead a board who are committed to the growth and development of our iwi, and who constantly debate and challenge issues to ensure we are making the best decisions we can. We are also grateful to our staff who work tirelessly on our day to day Trust operations, including constant engagement with our people and stakeholders.

On behalf of the Trustees, I would like to take the opportunity to thank our Te Atiawa members for your ongoing patience and support through the establishment phase of our Trust and look forward to your continued support as we set about working our way through the next phase of our development.

There are many exciting and challenging kaupapa ahead, and we look forward to tackling these head on to forge a pathway towards many new opportunities for our iwi.

Ngā manaakitanga me ngā mihi

**Liana Poutu**  
Pouwhakarae / Chairperson

### Board of Trustees

Left to Right: Kura Denness, Shelley Kopu, Liana Poutu, Wharehoka Wano, Kim Skelton, Shaun Keenan, Gary Nicholas



## FINANCIAL RESULTS

Our financial performance for the year shows a net operating surplus of \$3,038,014 million. Total Revenue for the period is \$3,207,466, which includes interest earned from the remaining quantum still with the Crown and interest from the Boards term deposits, and a small portion of Claimant funding from the Office of Treaty Settlements. In December 2015 the Minister approved that a further \$45 million (and interest) of the Settlement quantum be released in order for the Board to continue with the establishment mahi and investigate investment opportunities arising out of the settlement redress. This release of quantum allowed for the Board to reinvest and achieve a modest increase over and above the CPI rate while still in the hands of the Government. Expenses for the period are relatively small \$569,371, largely due to tight operations overheads. This will increase significantly over the coming year as the Board look to increase capacity and apply a direct distribution strategy.

The statement of financial position shows a strong position with a modest increase in equity for Te Kotahitanga for the year by 3.31% from \$91,769,079 to \$94,807,093.

### SUMMARY – FINANCIAL POSITION

	2015/16 \$	2014/15 \$
Total Assets	94,877,395	92,116,144
Liabilities	70,303	347,065
<b>Total Net Assets</b>	<b>94,807,093</b>	<b>91,769,079</b>

TRUST EQUITY  
**\$94.8**  
MILLION

### SUMMARY – FINANCIAL PERFORMANCE

	2015/16 \$	2014/15 \$
Revenue		
Operating Income	2,268,972	92,436,162
Finance Income	1,507,865	766,162
Expenses		
Administration	569,371	1,370,454
Taxation	169,451	62,791
<b>Net Profit</b>	<b>3,038,014</b>	<b>91,769,079</b>

**\$3.0**  
MILLION  
NET PROFIT  
AFTER TAX

## GOALS FOR 2015/2016



Strategic Planning Hui Owae Marae

### Te Kotahitanga's Annual Goals for 2015/2016 focused on 3 key objectives to ensure that strong foundations were laid for long-term growth and development.

#### 1. Strategic Planning & Development

One of the key objectives for the year has been the work involved with the development of a strategic five year plan.

Our first series of hui held across the regions were designed to gather together the views of our whanau members to enable us to build a plan that reflected the aspirations of the people.

The feedback from these hui and the responses we received from survey participants gave us the foundation to draft up 'Te Haeata'- 5 Year Strategic Plan.

The final draft document is now complete which is in the process of being taken back out to iwi members for endorsement. Hui-a-iwi are planned for Taranaki, Wellington and Auckland.

#### 2. Engagement, Relationships and Representation

Strengthening Relationships with key Te Atiawa communities and external groups is ongoing and is an undertaking that the Board see as constant in their role as trustees and also for the management of the Trust.

Meeting with Te Atiawa Hapū Leadership on a regular basis provides a valuable opportunity for discussion on kaupapa that concern our hapū and whanau. The relationship between iwi and hapū governance is key in the future growth and development of Te Atiawa and over the year key discussion areas have included;

- Te Atiawa Representation on committees and Boards that require Te Atiawa representation
- Waitara Endowment Lands Bill
- Collaboration on Environmental Issues
- Updates on the passage of the Te Atiawa Settlement Bill through Parliament
- Hapū Initiatives.

Management is currently drafting the structure of a Memorandum of Understanding that will seek a commitment to principles for which Hapū and Te Kotahitanga will best work together to utilise their respective strengths and capabilities, grow strong, effective and mutually beneficial relationships with each other and outline parameters for future charitable distributions from Te Kotahitanga to hapū.

The Board provided a lengthy and detailed submission on the provisions of the Waitara Lands Bill noting specifically that the Bill would never settle historical grievances for Te Atiawa within Waitara and will not be enough to compensate Te Atiawa for the losses suffered or to right

the wrongs of the past. The Trust also sought a number of changes to the provisions of the Bill. These sought to;

- Remove Council appointing the Chair
- Remove Council's determination of the annual release amount made available to the Board
- Remove Council's ability to 'veto' the Board's determination
- Changes to the provision governing the right of first refusal
- Introduction of mechanisms if Council and Te Kotahitanga cannot agree when acting jointly
- Clarification of liability in the transfer land
- Further control over the reserve land.

The Council deliberated on these and other submissions and resolved to introduce the Bill into Parliament. We still await the outcome of the introduction of the Bill, but will be making a submission to the Select Committee in consultation with hapū and iwi members.

Tri-iwi discussions have also continued with Taranaki and Ngāruahine on the finalisation of a framework and appointment process for direct representation on the Taranaki Regional Council standing committees. We also engage collaboratively on regional environmental matters by sharing submissions and approaches on other broader regional kaupapa, including applications under the Marine and Coastal Area (Takutai) Legislation, Petroleum and Minerals and concessions on Taranaki Maunga.

Taranaki Iwi Chairs forum also provides a great space for iwi leadership to share efforts and learnings on regional collective issues, including wider cultural kaupapa. Some of the key kaupapa driven by the chairs forum have been;

- **Kingitanga Representation** – Taranaki representation on the Tekaumarua council to advise the King
- **Kawhia House Rededication** – logistics and planning to carry out the ceremony for the rededication of Auaukiterangi Meeting house
- **Te Reo Maori Bill/Te Mātāwai** – appointment and nomination of a Te Taihauauru Representative
- **Negotiations over Taranaki Maunga** – discussion and process for the collective negotiation and settlement over Taranaki Maunga
- **Taranaki Mouna Project** – partnership and representation on a large collaborative conservation programme to revitalise the ecology and community connection to our Maunga.

The Trust are also active participants in the National Iwi Leaders Forum and work directly with local and regional

councils to respond to a plethora of regional representation, planning and environmental issues. Consequently, a review of resourcing requirements was initiated and Management has resolved to appoint a Policy Advisor/ Pou Taiao to support the extensive amount of work required. Some of the key issue will be to respond to and support the Taranaki Regional Council's Coastal Plan for Taranaki, New Plymouth District Plan's Wāhi Tapu Review, Marine and Coastal Area (Takutai Moana) Act Applications and other ongoing submissions on activity applications.

We continue to look at ways to better communicate with our members. Our website [www.teatiawa.iwi.nz](http://www.teatiawa.iwi.nz) is accessed regularly and we try to use facebook for the specific purpose of disseminating panui and information. Our Newsletter – Te Hauwhenua also continues to get positive feedback and this will be distributed every quarter for the year ahead.

A huge amount of work has been undertaken to reconcile membership details on our Te Atiawa Register. No doubt many of you would have received personal emails from Sharyn to confirm addresses and contact details. This is an ongoing piece of work that requires constant effort as our people are so transient. If you have whanau that have moved please get them to contact us with their new details.

#### 3. Transition from Pre-Settlement to Post Settlement

During the year in review a detailed transition plan has been developed to carry out tasks for the successful transition into a post Treaty Settlement structure. We should note, however, that the formalisation of the new Te Kotahitanga Group structure is dependent on the passing of the Te Atiawa Claims Settlement Bill through parliament. Upon the commencement of the Bill, the following will occur:

- The dissolution of Te Atiawa (Taranaki) Settlements Trust (TATST) and the vesting of assets and liabilities of TATST in Kotahitanga o Te Atiawa with charitable status removed
- Te Atiawa (Taranaki) Holdings Limited will cease to be a charitable company and its constitution is deemed to have been amended to the extent necessary to give effect to this
- Te Kotahitanga o Te Atiawa is deemed the new MIO and shareholder (parent entity) for Te Atiawa (Taranaki) Holdings Limited (TATHL).

In effect, TATHL, as the Fisheries Asset Holding Company, will become a new subsidiary entity of Te Kotahitanga, and TATST will be wound up after its assets and liabilities have been transferred to the Te Kotahitanga Board.



Te Atiawa Iwi Holdings LP Board of Directors  
From left to right: Adrian Taylor, Liana Poutu, Mike Pohio, Kim Skelton and Mark Tume (Chairperson)

Despite the time constraints of the parliamentary process, Management have continued to implement areas that are not contingent on the passing of the Bill. One of these tasks, is the establishment of a commercial subsidiary to manage and grow the Treaty Settlement assets from the Deed of Settlement. In the past 12 months, we now have:

- Established a specialist investment/commercial entity** – received both legal and commercial advice on optimal structures from tax and investment flexibility perspectives. This has been established as a limited partnership with Te Kotahitanga as the sole limited partner and a 100% Te Kotahitanga owned limited liability company serving as the general partner and hence manager of the partnership. The commercial entity is known as Te Atiawa Iwi Holdings Limited Partnership (TAIHLP). The relationship with Te Kotahitanga is controlled through a shareholder agreement, while obligations on Te Kotahitanga subsidiaries, as contained in the Trust Deed, are incorporated into the constitutional documents of TAIHLP – the constitution of the general partner and the limited partnership agreement.
- Board of Directors** – a specialist commercial board of five (5) directors. All five directors have significant prior commercial experience. Mark Tume (Chair), Mike Pohio and Adrian Taylor have been appointed as independent directors and will be joined by Liana Poutu and Kim Skelton as trustee representatives to complete the full board of Directors.
- Proposals to secure appropriate management capability** – As an investment company TAIHLP will require specialist business and investment management expertise.
- Developed an Investment Strategy and Policy ('ISP') for implementation** – supported by management, Te Kotahitanga and the TAIHLP board will confirm a formal investment strategy. This has been signed off by Te Kotahitanga in accordance with requirements under the Deed and the Shareholder Agreement. The ISP essentially directs that TAIHLP should invest via high quality passive funds (selected using expert non-partisan advice) and cash while developing capability and seeking appropriate direct investment opportunities.
- Initial direct investment opportunities to be considered** – following the establishment of the commercial company, Te Kotahitanga passed onto the commercial board a key time-limited direct investment opportunity with other Taranaki iwi. This is an investment in the Crown property space via a partnership with another PSGE's to effect the acquisition of Crown properties.

This does not necessarily need a large operational structure or overhead costs. Consequently, the TAIHLP board will look to minimise large commercial overheads and apply discipline in this area. It has been proposed that business and investment management will be an out-sourced contract model being retained for month to month general business and investment management activities, with other specialist resources secured on a project basis for funds management and property activities.

The Commercial Board will also be tasked to undertake assessments on the Rights of First Refusal and Deferred Selection Property mechanisms arising out of the Te Atiawa Settlement Deed.

## OUR SETTLEMENT – FINAL STEPS IN THE JOURNEY

**Following a short four day notice, about 60 of our people filed into the public gallery in Parliament to hear both Settlement Bills commended to the House for the first time.**

The Bills received unanimous support from across the political spectrum, with the Minister for Treaty Settlement Negotiations, Chris Finlayson, highlighting how important the Taranaki settlements were to the nation.

"While the Crown can never fully compensate for the wrongs of the past, these settlements will enable Te Atiawa and Taranaki... to focus on developing a strong cultural and economic future for their people," he said. Once passed, the legislation will give effect to the terms of our Deeds of Settlement, which have been years in the making. Te Atiawa signed a Deed of Settlement in August 2014.

It was acknowledged by many members in the house that the pathways to settlement were extremely difficult and highly emotional for many iwi. Labour member, Nanaia Mahuta, noted that the "claims relating to the Taranaki region presented some of the most hurtful atrocities inflicted during the 1860s and resulted in the confiscation of approximately 1.2 million acres of Maori land."

"The opportunity for Te Atiawa iwi to have their history recorded, apologies afforded by the Crown and remedies addressed is a very important step forward for all New Zealanders," Mahuta said.

After having passed the first reading, the bill will be forwarded to the Maori Affairs Select Committee before a report was tabled before Parliament.

It is hoped that the second and final readings of the Bill will be heard between September and November 2016 alongside Taranaki and Ngāruahine.

**"While the Crown can never fully compensate for the wrongs of the past, these settlements will enable Te Atiawa and Taranaki... to focus on developing a strong cultural and economic future for their people."**

## BACKGROUND

**The Te Atiawa Deed of Settlement includes financial and commercial redress of \$87 million, a right of deferred selection over 51 land banked properties, two sale and leaseback properties, and a right of first refusal over specified core Crown properties.**

Cultural redress includes a cultural fund and instruments that recognise the significance of a number of sites for Te Atiawa, and relationship redress with agencies such as protocols on how we will engage meaningfully with each other. A full copy of the Deed of Settlement is available to read on our web site

[www.teatiawa.iwi.nz/key-documents/deed-of-settlement](http://www.teatiawa.iwi.nz/key-documents/deed-of-settlement)

The settlement also provides for the opportunity for Te Atiawa to enter into an agreement with the New Plymouth District Council ('the Council') over the Waitara Endowment Lands (Pekapeka Block). The Council and Te Kotahitanga co-signed a bilateral arrangement on Friday, 1 August 2014. The final stage of the settlement process is the passage of settlement legislation through parliament.

## PROTECTING OUR MOUNGA THROUGH PARTNERSHIP

**Taranaki Mounga is a collaboration between the Department of Conservation (DOC), the Taranaki Iwi Chairs Forum and philanthropic investor NEXT Foundation, supported by founding sponsors Shell New Zealand, Jasmine Social Investments, TSB Community Trust and Landcare Research.**

The project will push the boundaries in landscape-scale ecological restoration, enhancing the mauri – vitality and life-force – of Mt Taranaki over a 20 year period and beyond. Bringing the 34,000 ha of national park encompassing Taranaki, Pouakai, Kaitake and extending 3km to the protected Ngā Motu/Sugar Loaf Islands back to life through a large-scale ecological restoration project. Innovative pest management will allow rare and vulnerable

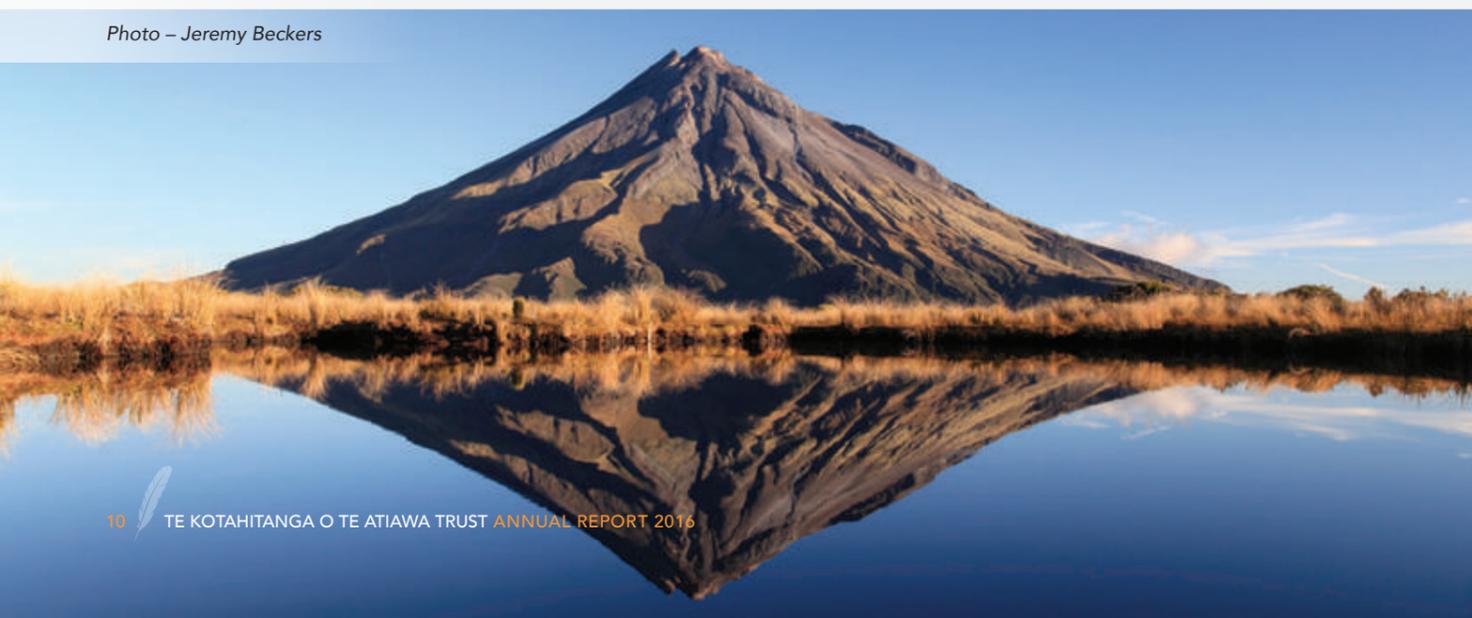
wildlife to flourish once again. Threatened species like robin/toutouwai, kiwi, whio/blue duck and petrels will be replenished and bolstered, thriving once more on Taranaki and the ranges.

Taranaki Mounga Director and Te Kotahitanga Manager Hemi Sundgren says 'the Taranaki Mounga kaupapa is a great example of collaboration between iwi, corporates, philanthropists, the community and government, that we hope will make real impacts on restoring the ecology on our Mounga.... It is early days, but given our strong Iwi connection and whakapapa to the maunga, we need to be a critical partner in the successful delivery of this project.'

**"Innovative pest management will allow rare and vulnerable wildlife to flourish once again."**



Photo – Jeremy Beckers



## TARANAKI TŪ MAI – TOO MUCH!

**Hundreds of Taranaki descendants braved a very wet weekend and gathered for the 4th biennial Taranaki Tū Mai festival at Urenui Pā on 20th – 22nd November 2015, including a large contingent of Te Atiawa whanau.**

Taranaki Tū Mai celebrates Taranakitanga and whanaungatanga with iwi members and whanau competing in kapa haka and sports events.

Even though whanaungatanga is the underpinning kaupapa, competition was rampant from the exhilarating stage performance kapa haka to the 'high energy' Kaumatua sports, speed and athleticism displayed on the netball courts and rugby field – 'There is no doubting that the cultural and social atmosphere is what makes this weekend such

a great event, but let's just say, that on top of that... there is definitely a 'competitive' streak coming through in the sporting activities' said Deputy Chairman Wharehoka Wano. 'Even the gift of rain from above didn't deter the need to give it their all!' he adds.

There are so many to thank for making Tū Mai 2015 such an awesome kaupapa - from the wonderful team of organisers and kaimahi of Ngāti Mutunga to the sports coordinators of each iwi, our kapa haka kaiarahi and our whanau who came to tautoko the kaupapa, whether it be as a participant or supporter, and especially our Kaumatua who were there in force, participating to their fullest.

The next event will be hosted by Ngāruahine in 2017.

**"Even the gift of rain from above didn't deter the need to give it their all!"**

## FACES OF TE ATIWA

Te Atiawa Kapa Haka Rōpū performing at Tū Mai Taranaki



Te Atiawa Iwi Strategic Planning Hui - Muru Raupatu Marae'



Uncle Ramon Tito and Aunty "Belle" Pereni Tupe



Taranaki Peace Walk 15 - 17 June 2016  
Left to Right: Howie Tamati, Mayor Andrew Judd, Bonita Bingham



Ngā tamariki o Te Atiawa nui tonu nō te Kura o Te Pihipihinga Kākano e whakawai ana



Te Atiawa Iwi Strategic Planning Hui - Muru Raupatu Marae'

Uncle Ramon Tito and Aunty 'Belle' Pereni Tupe light the candles on the celebratory cakes – Maui Pomare Day 2016

“Ngā tamariki o Te Atiawa nui tonu nō te Kura o Te Pihipihinga Kākano e whakawai ana”

# FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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## INDEPENDENT AUDITOR'S REPORT

To the members of the Te Kotahitanga O Te Atiawa Trust

### Report on the Financial Statements

We have audited the financial statements of Te Kotahitanga o Te Atiawa Trust ("the Trust") on pages 5 to 24, which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in trust capital and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trust's members, in accordance with section 10.2 of the Trust Deed. Our audit has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinion we have formed.

### Trustees' Responsibility For The Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards – Reduced Disclosure Requirements and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Te Kotahitanga o Te Atiawa Trust.

### Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Te Kotahitanga o Te Atiawa Trust as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards – Reduced Disclosure Requirements.

BDO Taranaki  
26 October 2016  
New Plymouth  
New Zealand

## TRUST DIRECTORY

### DATE OF ESTABLISHMENT

31 March 2014

### NATURE OF BUSINESS

Investment

### TRUSTEES

Peter Moeahu	retired 11 September 2015
Keith Holswich	retired 11 September 2015
Andrea Williams	retired 11 September 2015
Liana Poutu (Chair)	re-appointed 11 September 2015
Wharehoka Wano (Deputy Chair)	re-appointed 11 September 2015
Tanya Kim Skelton	re-appointed 11 September 2015
Kura Denness	re-appointed 11 September 2015
Gary Nicholas	newly appointed 11 September 2015
Shaun Keenan	newly appointed 11 September 2015
Shelley Kopu	newly appointed 11 September 2015

### BENEFICIARIES

Members of Te Atiawa Iwi

### ADDRESS FOR SERVICE

35 Leach Street  
New Plymouth

### BANKERS

Bank of New Zealand (BNZ) New Plymouth	Australia New Zealand Banking Group (ANZ) New Plymouth
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### AUDITORS

BDO Taranaki  
New Plymouth

### ACCOUNTANTS

Ernst & Young Tahi Limited  
Wellington

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2016

	Note	2016 \$	2015 15 months \$
<b>Revenue</b>			
Operating Revenue	5	2,268,972	92,436,162
<b>Less: Expenses</b>			
Administrative Expenses	6	569,371	1,370,454
Net Operating Profit		1,699,601	91,065,708
Finance Income	7	1,507,865	766,162
Net Profit before Tax		3,207,466	91,831,870
Taxation	8	169,451	62,791
Net Profit		3,038,014	91,769,079
Other Comprehensive Income		-	-
<b>Total Comprehensive Income transferred to Trust Capital</b>		<b>3,038,014</b>	<b>91,769,079</b>

This accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached audit report.

## STATEMENT OF CHANGES IN THE TRUST CAPITAL

For the Year Ended 30 June 2016

	Note	Retained Earnings \$	Total Trust Equity \$
<b>Trust Capital 1 July 2015</b>		91,769,079	91,769,079
<b>Comprehensive Income for the Period</b>			
Profit for the Period		3,038,014	3,038,014
Total Comprehensive Income for the Period		3,038,014	3,038,014
<b>Trust Capital 30 June 2016</b>		<b>94,807,093</b>	<b>94,807,093</b>
<b>Trust Capital 1 April 2014</b>		-	-
<b>Comprehensive Income for the Period</b>			
Profit for the Period		91,769,079	91,769,079
Total Comprehensive Income for the Period		91,769,079	91,769,079
<b>Trust Capital 30 June 2015</b>		<b>91,769,079</b>	<b>91,769,079</b>

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>TRUST CAPITAL</b>		<b>94,807,093</b>	<b>91,769,079</b>
<b>Represented by:</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	9	917,518	16,173,158
Short Term Investments	10	67,490,391	-
Trade and Other Receivables	11	26,380,281	75,867,623
Income Tax Receivable	8	81,883	68,695
Total Current Assets		94,870,073	92,109,475
<b>Current Liabilities</b>			
Trade and Other Payables	12	70,303	347,065
Total Current Liabilities		70,303	347,065
<b>WORKING CAPITAL</b>		<b>94,799,770</b>	<b>91,762,411</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	13	3,824	5,444
Deferred Tax Asset	8	3,498	1,225
Total Non-Current Assets		7,322	6,669
<b>TOTAL NET ASSETS</b>		<b>94,807,093</b>	<b>91,769,079</b>

Signed for and on behalf of the trustees;



Trustee



Trustee

21/10/2016

Date

This accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached audit report.

## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Operating activities</b>			
Cash receipts from Customers		51,911,033	16,594,002
Cash paid to Suppliers & Employees		(844,976)	(1,022,633)
Interest Received		1,353,608	740,699
Taxation Paid		(184,913)	(132,710)
<b>Net Cash Flows from Operating activities</b>		<b>52,234,751</b>	<b>16,179,358</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		-	(6,200)
Investing in short term investments	10	(67,490,391)	-
<b>Net Cash Flows from Investing activities</b>		<b>(67,490,391)</b>	<b>(6,200)</b>
Net movement in cash and cash equivalents		(15,255,640)	16,173,158
Cash and cash equivalents opening balance		16,173,158	-
<b>Cash and cash equivalents closing balance</b>	<b>9</b>	<b>917,518</b>	<b>16,173,158</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

### 1. TRUST INFORMATION

Te Kotahitanga o Te Atiawa Trust (the "Trust") is a trust established by a trust deed on 31 March 2014 and is subject to the Trustees Act 1956.

The Trust is engaged in the business of investment. The nature of the Trust's business has not changed during the year under review.

On the 9th August 2014, the Trust signed a Deed of Settlement with the Crown to settle Te Atiawa Iwi's historical treaty claim.

The purpose and responsibilities of the Trust as outlined in the Trust Deed is to receive, hold, manage and administer the settlement assets received on behalf of the ngā uri o Te Atiawa.

The quantum for Te Atiawa's settlement package is as follows:

#### Financial Redress

The Crown will pay the Trust on settlement date \$24,876,000, which is the financial and commercial redress amount of \$87,000,000 less the following on-account payments:

- \$400,000 paid to the Te Atiawa Iwi Authority Board on 26 November 1999
- \$16,724,000 paid to the Trust on 15 May 2014
- \$45,000,000 paid to the Trust on 22 December 2015

#### Commercial Redress

##### Landbanked Properties

Te Atiawa will have the option to purchase, within a deferred selection period of one to two years from settlement date, 51 Office of Treaty Settlement landbanked sites.

##### Sale and Leaseback

Te Atiawa has a deferred selection period of two years from settlement date to purchase and leaseback two non-surplus core Crown properties. These properties are the New Plymouth Court House and the New Plymouth Police Station.

##### Right of First Refusal

On settlement Te Atiawa will have an exclusive right of first refusal over specified core Crown land for a period of 172 years. Te Atiawa will also have a non-exclusive shared right of first refusal over core Crown land with Taranaki Iwi over a certain defined area.

#### Cultural Redress

The settlement also provides for a cultural fund of \$985,000.

#### Waitara Endowment Lands

The Waitara Endowment Lands are of historical and cultural importance to Te Atiawa. The Deed of Settlement and the settlement legislation provides a mechanism to allow the trust and the New Plymouth District Council to enter into agreement to purchase any of the Waitara Endowment Lands. If agreement is reached the endowment land will transfer free of all statutory restrictions. This process is voluntary and there is no obligation on the parties to enter into any agreement for the sale and purchase of the Waitara Endowment Lands.

Refer to Note 24 – Events occurring after balance date for current progress.

### 2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ("NZ IFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit orientated entities.

These financial statements were authorised for issue by the Board on 21st October 2016.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the entity is a for-profit entity.

The financial statements have been prepared for a twelve month period.

#### b) Basis of Measurement

The measurement base adopted is historical cost, except as noted otherwise. The financial statements are presented in New Zealand (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise indicated.

#### c) Comparative Figures

The comparative figures are for fifteen months as this was the first period of trading for the Trust.

#### d) Current versus Non-Current Classification

The Trust presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Trust classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Trust has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

##### Settlement Income

The Trust has been established to receive the settlement income for the Te Atiawa Iwi and is recognised when the deed of settlement has been signed with the crown. This amount includes the quantum (as per note 1) and interested earned on the quantum.

#### Koha Received

Koha are funds received by the Trust to achieve its core activities. These funds are not restricted and can be used as designated by the board to achieve the Trust's objectives. Koha revenue is recognised as funds are received.

#### f) Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise of interest expense on any borrowings and losses on disposal of available-for-sale financial assets.

#### g) Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### Current Income Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

The Trust is registered with the Inland Revenue Department as a Maori Authority for tax purposes.

##### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Trust takes into account the impact of uncertain tax positions and whether additional taxes and interest may

be due. The Trust believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Trust to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### h) Goods and Services Tax

The financial statements have been prepared using GST exclusive figures except for accounts receivable and accounts payable which are shown inclusive of GST.

#### i) Property, Plant & Equipment

Property, plant & equipment is included at cost less aggregate depreciation. The depreciation is calculated on a diminishing value basis over the estimated useful lives of the assets, as follows:

Office Equipment	10% - 50%
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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Trust as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

#### k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

#### l) Employee Benefits

##### Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### m) Financial Instruments

##### Non-derivative financial assets

The Trust initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Trust classifies non-derivative financial assets into the following categories: loans and receivables.

#### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (see note 3n).

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

#### n) Impairment

##### Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Trust, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

##### Financial assets measured at amortised cost

The Trust considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, the timing of

recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities.

Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### o) Statement of Cash Flows

Definitions of the terms used in the Cash Flows:

- Cash includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash, used by TKONT and the group as part of its day-to-day cash management
- Operating activities include all transactions and other events that are not investing or financing activities
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and other non-current assets
- Financing activities are those activities relating to changes in the equity, including Treaty of Waitangi settlement receipts and those activities relating to the cost of servicing the Trust's equity capital.

#### p) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

#### 4. APPLICATION OF REDUCED DISCLOSURE REGIME

##### Application of the Reduced Disclosure Regime

The Trust has implemented the New Zealand equivalent to International Financial Reporting Standards – Reduced Disclosure Requirement (NZ IFRS RDR). All accounting policies were applied consistently during the year.

At the date of authorisation of the financial statements of the Trust for the year ended 30 June 2016, the following Standards and Interpretations were in issue but not yet effective and not early adopted in the preparation of these financial statements. These will be effective and applied to the Trust's financial statements in future years as noted below;

##### NZ IFRS 9: Financial Instruments

NZ IFRS 9 will be adopted by the Trust for the first time for its financial reporting period ended 30 June 2018. The standard replaces part of NZ IAS 39 and establishes two primary measurement categories for financial assets: amortised cost and fair value, with classifications depending on an entity's business model and the contractual cash flow characteristics of the financial asset. The Trust is currently in the process of evaluating the potential impact of this standard on its financial assets. The adoption of NZ IFRS 9 will not affect the current

classification and measurement requirements of financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated as at fair value through profit or loss and the Trust does not have any such liabilities. NZ IFRS 9 is not expected to have a significant impact on the Trust.

##### NZ IFRS 15: Revenue from Contracts with Customers

NZ IFRS 15 will be adopted by the Trust for the first time for its financial reporting period ended 30 June 2017. The adoption of NZ IFRS 15 will result in certain revenue streams being brought forward and others being delayed, depending on contractual terms and analysis of the five step approach to revenue recognition. The Trust has yet to assess the impact of this standard.

##### NZ IAS 19 (Amendment): Defined Benefit Plans: Employee Contributions

NZ IAS 19 prescribes the accounting and disclosure for employee benefits, the amendment to NZ IAS 19 requires the Trust to determine whether an employee benefit is short-term or long-term based on when payment is expected and not when payment can be demanded. In addition, where termination benefits include a future-service obligation, these cannot be treated as termination benefits under NZ IAS 19 going forward. The Trust has yet to assess the impact of this standard.

#### 5. OPERATING REVENUE

	2016 \$	2015 15 months \$
Settlement Income	2,247,696	92,373,067
Ministry of Justice	15,200	38,470
Koha Received	310	24,375
Sundry Income	5,767	250
<b>Total Operating Revenue</b>	<b>2,268,972</b>	<b>92,436,162</b>

## 6. ADMINISTRATIVE EXPENSES

	Note	2016 \$	2015 15 months \$
Accommodation		435	-
Accountancy Fees		10,928	6,623
Settlement and establishment costs	21	-	900,000
Advertising		1,958	3,691
Audit Fees	16	7,438	4,000
Catering		6,707	1,559
Communications		7,149	-
Conference Expenses		847	-
Consultancy		47,174	37,513
Election Costs		32,279	-
Depreciation	13	1,619	756
Insurance	20	3,250	3,250
Iwi Chairs Forum		4,318	-
Kiwisaver Employer Contributions		4,718	1,108
Legal Expenses		11,929	38,542
Management Fees		-	78,568
Operating Lease Payments		3,567	892
Professional Fees		28,643	-
Recruitment Costs		555	23,756
Rent		6,469	-
Travel		9,666	-
Trustee Training		26,274	-
Trustee Travel		15,726	11,896
Trustee Honorarium	19	152,625	206,198
Venue Hire		2,017	3,174
Wages & Salaries		169,408	43,214
Other Administrative Expenses		13,674	5,716
<b>Total Administrative Expenses</b>		<b>\$ 569,371</b>	<b>1,370,454</b>
<b>Included in Administration Expenses:</b>			
Wages & Salaries		169,408	43,214
Kiwisaver Employer Contributions		4,718	1,108
<b>Total Employee Benefit Expenses</b>		<b>\$ 174,126</b>	<b>44,322</b>

## 7. FINANCE INCOME

	2016 \$	2015 15 months \$
Interest Received	1,507,865	766,162
<b>Total Finance Income</b>	<b>1,507,865</b>	<b>766,162</b>

## 8. INCOME TAX

### a) Income tax recognised in profit or loss and other comprehensive income

	2016 \$	2015 \$
<b>Current income tax:</b>		
Current income tax charge	171,724	64,016
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(2,273)	(1,225)
<b>Total income tax expense in the Statement of Comprehensive Income</b>	<b>169,451</b>	<b>62,791</b>

### b) Reconciliation of income tax expense

	2016 \$	2015 \$
Accounting Profit before income tax expense	3,207,466	91,831,870
At Maori Authority tax rate of 17.5%	561,306	16,070,577
<b>Add:</b>		
Tax on non-deductible exp enses	4,152	157,500
<b>Less:</b>		
Tax on non-assessable Income	(396,007)	(16,165,286)
<b>Income Tax reported in the Statement of Comprehensive Income</b>	<b>169,451</b>	<b>62,791</b>

### c) Current tax

	2016 \$	2015 \$
Asset / (Liability) opening balance	68,695	-
Current year tax expense	(171,724)	(64,016)
Taxation paid	253,607	132,710
Refunds received	(68,695)	-
<b>Asset / (Liability) closing balance</b>	<b>81,883</b>	<b>68,695</b>

#### d) Deferred Tax

	2016 \$	2015 \$
Asset / (Liability) opening balance	1,225	-
Current year movement	2,273	1,225
<b>Asset / (Liability) closing balance</b>	<b>3,498</b>	<b>1,225</b>
<i>Made up of:</i>		
Deferred tax asset	3,498	1,225
Deferred tax liability	-	-
<b>Net balance as per above</b>	<b>3,498</b>	<b>1,225</b>

The Trust offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets / (liabilities) are attributable to the following:

	2016 \$	2015 \$
Accruals	3,498	1,225
	<b>3,498</b>	<b>1,225</b>

#### 9. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
BNZ – cheque account	68,562	16,173,158
BNZ – on-call account	851,822	-
ANZ – on-call account	449	-
BNZ credit cards	(3,315)	-
<b>Total Cash and Cash Equivalents</b>	<b>917,518</b>	<b>16,173,158</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The interest rates as at 30 June 2016 are 0% – 1.04% (2015: 0% – 3.9%).

#### 10. SHORT TERM INVESTMENTS

	2016 \$	2015 \$
BNZ Term Deposits	5,030,453	-
ANZ Term Deposits	62,459,939	-
<b>Total Short Term Investments</b>	<b>67,490,391</b>	<b>-</b>

Short-term deposits are made for varying periods of between 90 days and 270 days, depending on the immediate cash requirements of the Trust, and earn interest at the respective short-term deposit rates.

The interest rates as at 30 June 2016 are 3.04% – 3.75% (2015: nil).

#### 11. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Trade Receivables	15,200	38,470
Sundry Receivables	401	300
Settlement Income Receivable	25,861,000	69,876,000
Settlement Interest Receivable	307,883	5,773,067
Interest Receivable	179,420	25,163
GST Refund	16,377	154,623
<b>Total Trade and Other Receivables</b>	<b>26,380,281</b>	<b>75,867,623</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

#### 12. TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Trade Payables	30,348	136,337
Trustee Honorarium Payable	10,026	151,156
Accruals	7,000	7,000
Employee Benefit Payable	22,928	52,572
<b>Total Trade and Other Payables</b>	<b>70,303</b>	<b>347,065</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

PAYE payables are normally settled with Inland Revenue Department on the 20th of the following month.

### 13. PROPERTY, PLANT & EQUIPMENT

	Office Equipment \$	Total \$
<b>2016</b>		
<b>Cost</b>		
At 1 July 2015	6,200	6,200
Additions	-	-
<b>At 30 June 2016</b>	<b>6,200</b>	<b>6,200</b>
<b>Depreciation</b>		
At 1 July 2015	756	756
Depreciation charge for the year	1,619	1,619
<b>At 30 June 2016</b>	<b>2,375</b>	<b>2,375</b>
<b>Net Book Value</b>		
<b>At 30 June 2016</b>	<b>3,824</b>	<b>3,824</b>
<b>2015</b>		
<b>Cost</b>		
At 1 April 2014	-	-
Additions	6,200	6,200
<b>At 30 June 2015</b>	<b>6,200</b>	<b>6,200</b>
<b>Depreciation</b>		
At 1 April 2014	-	-
Depreciation charge for the year	756	756
<b>At 30 June 2015</b>	<b>756</b>	<b>756</b>
<b>Net Book Value</b>		
<b>At 30 June 2015</b>	<b>5,444</b>	<b>5,444</b>

The Trust has determined that the office equipment has not been impaired.

### 14. MAORI AUTHORITY TAX CREDIT ACCOUNT

	2016 \$	2015 \$
Maori Authority Tax Credit – opening balance	132,710	-
RWT credits attached to interest	253,608	132,710
Income tax refunded	(68,695)	-
<b>Maori Authority Tax Credit – closing balance</b>	<b>317,624</b>	<b>132,710</b>

### 15. OPERATING LEASE COMMITMENTS

The Trust entered into an operating lease with Ricoh New Zealand Limited for a photocopier on 31 March 2015 for 48 months. In addition, the Trust entered a lease arrangement for the property at 35 Leach Street, New Plymouth with The Proprietors of Paraninihi ki Waitotara Block on 15 April 2016 for 36 months.

Future minimum rental payables under non-cancellable operating leases as at 30 June are as follows:

	2016 \$	2015 \$
Within one year	28,553	3,567
After one year but not more than five years	49,967	9,808
More than five years	-	-
<b>Total Operating Lease Commitments</b>	<b>78,520</b>	<b>13,375</b>

### 16. AUDITOR'S REMUNERATION

The auditor of the Trust is BDO Taranaki.

	2016 \$	2015 \$
<b>Fees to BDO for:</b>		
Audit or review of financial statements	7,438	4,000
<b>Total fees paid to Auditors</b>	<b>7,438</b>	<b>4,000</b>

### 17. CAPITAL MANAGEMENT

The Trust's capital includes retained earnings.

The Trust's policy is to maintain a strong capital base to operate in a financially prudent manner which will enable market confidence and to sustain the future development for the people of Te Atiawa.

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Board of Trustees.

The trust is not subject to any externally imposed capital requirements.

## 18. FINANCIAL INSTRUMENTS

The Trust's principal financial instruments are trade and other receivables, trade and other payables, cash and cash equivalents, and term deposits.

The main risks arising from the financial instruments are interest rate risk, liquidity risk, and credit risk. These are summarised below:

### a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to market risk for changes in interest rates relates primarily to their short-term and term deposits.

	2016 \$	Weighted Average Interest	2015 \$	Weighted Average Interest
Cash and short-term investments	917,518	3.51%	16,173,158	4.39%

The current term deposits have a maturity date in September. All deposits within three months of balance date are classified as a current asset as well as any deposits which are able to be called upon with 30 days notice.

### b) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. Financial Instruments which could potentially subject the Trust to credit risk consist of cash and cash equivalents and trade and other receivables at this point in time. The Trust manages this risk by only trading with recognised, creditworthy third parties.

There has been no allowance for impairment in respect of trade and other payables for the year.

### c) Liquidity risk

The Trust manages liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis.

### d) Financial Assets & Liabilities

	2016 \$	2015 \$
<b>Financial Assets</b>		
Cash and cash equivalents	917,518	16,173,158
Short term investments	67,490,391	-
Trade and other receivables	26,380,281	75,713,000
	<b>94,788,190</b>	<b>91,886,158</b>
<b>Financial Liabilities</b>		
Trade and other payables	70,303	347,065
	<b>417,368</b>	<b>347,065</b>

## 19. TRUSTEE PAYMENTS

Trustee	Attended	Eligible	Amount \$	Note
Peter Moeahu	2	2	4,625	retired 11 September 2015
Keith Holswich	2	2	4,625	retired 11 September 2015
Andrea Williams	0	2	4,625	retired 11 September 2015
Liana Poutu (Chair)	10	10	37,000	re-appointed 11 September 2015
Wharehoka Wano (Deputy)	10	10	23,125	re-appointed 11 September 2015
Tanya Kim Skelton	10	10	18,500	re-appointed 11 September 2015
Kura Denness	10	10	18,500	re-appointed 11 September 2015
Gary Nicholas	8	8	13,875	newly appointed 11 September 2015
Shaun Keenan	8	8	13,875	newly appointed 11 September 2015
Shelley Kopu	8	8	13,875	newly appointed 11 September 2015
<b>Total Trustee Payments</b>			<b>152,625</b>	

An election was held and closed on 11 September 2015, the Trustees were elected for a three year period as per the Trust Deed.

The number of eligible meetings indicates the maximum number of meetings each person could have attended taking into account meetings of the full board in addition to any sub-committees that they are part of.

## 20. DIRECTORS AND OFFICERS INSURANCE

The Trust paid \$3,250 for Directors and Officers Insurance in 2016 (2015: \$3,250).

## 21. RELATED PARTIES

Te Atiawa Iwi Authority ("TAIA") provided various services to the Trust, including treaty negotiation and settlement services, assistance with and advice on the establishment of the post settlement governance structure and other business advice, such as strategic management and planning.

In return for TAIA's services, the Trust paid \$900,000 plus GST to TAIA in June 2015 (refer note 6 – settlement and establishment costs).

## 22. CAPITAL COMMITMENTS

There are no capital commitments as at 30 June 2016 (2015: nil).

## 23. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2016 (2015: nil).

## 24. EVENTS OCCURRING AFTER THE BALANCE DATE

### Establishment of Commercial Structure

The Board of Te Kotahitanga o Te Atiawa Trust resolved on 22 April 2016 to establish Te Atiawa Iwi Holdings Limited Partnership ("TAIHLP") with Te Atiawa Iwi Holdings Management Limited ("TAIHML") as General Partner to govern and manage Te Atiawa's economic and commercial assets.

TAIHML was Incorporated on 13 May 2016 and TAIHLP registered on 20 May 2016 with the New Zealand Companies Office.

As at 30 June 2016, there were no transactions undertaken by the TAIHML or TAIHLP.

### Transfer of Assets

At its April 2016 board meeting the Trustees passed the following resolution:

"Resolve to approve the transfer of cash assets less Trust operational costs, to end of current financial year, upon the appointment of Directors to Te Atiawa Iwi Holdings Management Limited"

Upon the appointment of Directors to TAIHML and TAIHLP, the following resolutions were also approved:

That the Trustees;

1. Approve that the cash on term deposits of approximately \$66,800,000 at ANZ and BNZ be transferred to Te Atiawa Iwi Holdings LP.
2. Note the transfer of funds to the Commercial LP will be structured as follows:
  - (i) Te Kotahitanga o Te Atiawa Trust Limited Partner Capital – \$65,000,000 (plus any interest accrued)
  - (ii) Te Kotahitanga o Te Atiawa Trust On Demand Loan – \$1,800,000
3. Note that this arrangement will take place as of the new financial year beginning 1 July 2016 at the latest (with the amount transferred being term deposit value at 30 June 2016 as per the Trust financial statements) and the Trust will then be funded by way of quarterly distribution in advance budgeted and approved in the Te Atiawa Iwi Holdings Limited Partnership Annual Plan.

### Waitara Endowment Lands Local Bill – New Plymouth District Council

In 2015 – 2016 a proposal was developed by the New Plymouth District Council ("NPDC") with input from Te Kotahitanga o Te Atiawa Trust for the promotion of a local bill (Waitara Lands Bill) for the Waitara Endowment Lands.

The key proposals in the current the Bill will allow:

- NPDC-owned land at Battiscombe Terrace, East Beach and Clifton Park to be transferred to Te Kotahitanga, with NPDC continuing to administer these areas as public reserves
- Land at Brown Road and adjacent to the Battiscombe Terrace land to be transferred to Te Kotahitanga to develop as determined by the iwi
- Te Kotahitanga rights of first refusal to purchase certain properties within Waitara Precinct
- Leaseholders (Some of whom are Te Atiawa) to have a right to purchase the freehold title to their property for the unimproved land value, with income from the sale of the leases to be used for the benefit of the Waitara community.

It is anticipated that the passage of the Waitara Lands Bill will proceed through the Parliamentary legislative programme throughout the 2016 – 2017 financial year. It is unknown, however, when the Bill will come into effect, and the subsequent the transfer of assets associated with the Bill will transfer to Te Kotahitanga o Te Atiawa.

### Te Atiawa Claims Settlement Bill

It is anticipated that the Te Atiawa Claims Settlement Bill will be enacted within 12 months post balance date. Further to the transfer of redress arising from the Te Atiawa Iwi Deed of Settlement, the Te Atiawa Claims Settlement Bill will also enable the transition and consolidation of Te Atiawa Settlements Trust (TATST) and Te Atiawa (Taranaki) Holdings Limited into the structure of Te Kotahitanga o Te Atiawa Trust. As a part of the enactment of the Te Atiawa Claims Settlement Bill, the following will occur:

- The dissolution of Te Atiawa Settlement Trust (TATST) as the previous MIO and the vesting of assets and liabilities of TATST in Te Kotahitanga o Te Atiawa with charitable status removed;
- Te Atiawa (Taranaki) Holdings Limited will cease to be a charitable company and its constitution is deemed to have been amended to the extent necessary to give effect to this;
- Te Kotahitanga o Te Atiawa is deemed the new MIO and shareholder (parent entity) for Te Atiawa (Taranaki) Holdings limited.

The transition process will be fully reported on during the course of the year and all final reports will be presented to members at the Te Kotahitanga o Te Atiawa Annual General meeting of 2017.

# MINUTES OF THE INAUGURAL ANNUAL GENERAL MEETING

Held at Muru Raupatu Marae, Bell Block, 10.00am, 27th September, 2015

## PRESENT:

Liana Poutu (Chair), Wharehoka Wano, Kura Denness, Kim Skelton, Peter Moeahu, Keith Holswich and Andrea Williams

Shaun Keenan, Kahu Healey, Garry Nicholas, Maria Brockhill, Elsie Kearns, Gemma Toa, Leonie Pihama, Mitchell Ritai, Henry Wensor, Gloria Jordan, Anaru Wilkie, Rae Belton, Selwyn Lackner-Priest, Kris Marsh, Ngawhakaheke Tuti Wetere, Marina Paki, Mihiwaatara Waru, Deanne Urwin, Niwa Te Hemara, Georgina Urwin, Iris-Moana Ward, Roena Ruakere-Te Uira, David Toa, Lenny Noble, Pereni Tupe, Fern Brand, Maikara Tapuke, Nganeko Eriwata, Hoani Eriwata, Rose Denness, Kuia Makere, Mahou Waru, Grant Knuckey, Anahera Coleman, Linda Palmer, Kumeroa Pihama, Nachele Griffiths, Ngatupara Ritai, Howard Harris, Wikitoria Michalanney, Glen Skipper, Kerrin Noble, DeeAnna Ritai-Te Awa, TeUrumairangi Ritai, Chona Telford, Pounamu Skelton, Te Kahurangi Skelton

## IN ATTENDANCE

Hemi Sundgren, Sharyn Tamarapa

## KARAKIA

Mahou Waru

## MIHI

Wharehoka Wano / Liana Poutu

The Chair welcomed everyone to the hui and called for apologies.

## APOLOGIES

Patsy Bodger, Puna Wano-Bryant, Agnes Wharehoka, Aroaro Tamati, Howie Tamati, Alice Burnett, Dawn Tamati, John Tamati, Ruby Pratt, Theresa Patu, Amy Patu, Kelly Moeahu, Tina Moeahu, Dinny Moeahu, Mary-Jane Waru, Jackie Waru, Tina Waru, Tai Waru, Nae Waru, Arihi Waru, Toumairangi Marsh, Emily Bailey, Alex Ritai, Damon Ritai, Robert Telford, Alton Chadwick, Lianne Orr, Blair Knuckey, Jarred Knuckey, Shelley Knuckey, Mina Timutimu, Ake Tiaki

## Resolution

**IT WAS MOVED** (Kris Marsh/Wikitoria Michalanney) that the apologies to the Inaugural AGM held on 27th September 2015 be accepted. **CARRIED**

## TE KOTAHITANGA O TE ATIWA ANNUAL REPORT OVERVIEW

### HE KUPU WHAKATAKI/CHAIRS REPORT

- Establishment of Te Kotahitanga
- Te Atiawa Settlement Legislation
- Establishment of Work Plan
- Transitional Matters
- Return of the Motunui Epa
- Financial Statements
- Strategic Plan
- Annual Plan
- 2015 Trustee Election

### QUESTIONS RAISED FROM THE FLOOR

#### What is happening with TAIA (Te Atiawa Iwi Authority)?

Currently in the process of settling up all the TAIA financial affairs so the entity can be wound up. Technically, as per the constitution, it is not required to hold an AGM but if members wish for this to happen, a concluding AGM for TAIA could be held at the same time as the TKoTA (Te Kotahitanga o Te Atiawa) AGM or earlier.

#### TATST (TE ATIWA (TARANAKI) SETTLEMENT TRUST)

#### Where do any queries/issues pertaining to TATST get directed to now?

TATST will remain operating until the final phase of the settlement process and the formal transfer of that entity across to TKoTA. This is not likely to occur until August 2016 at the earliest. TATST and TKoTA are currently preparing for the transfer. TATST operations are still working out of the office at 101a Fulford Street, New Plymouth and all queries regarding their business, including Pataka, should still be directed to TATST.

#### Interest on Account (Quantum) – is the interest still accumulating on account?

Of the \$87m settlement, we have received on account \$16.7m. The remaining \$70.3m is accumulating interest at the official cash rate. The Trust is currently in discussion with OTS (Office of Treaty Settlements) on a proposal to get the remaining quantum paid over earlier. At this date we have not received a response.

### Taranaki Whanui Benefits – how will members register for this scheme?

Taranaki Whanui Benefits is a collective project established by Ngāruahine, Taranaki, Ngāti Mutunga and Te Atiawa. The purpose of the company will be to use collective leverage and bargaining power to acquire benefits for registered iwi members. Currently the group is working on formalising a relationship with the BNZ to allow members access to benefits that would not be otherwise accessible if you were to walk in off the street e.g. reduced borrowing rates. It is anticipated that other service/benefits will be secured in the future but a relationship, with the banking industry being the first.

The final details of how members would access these benefits is still to be confirmed and several options are being considered, wanting to make this as simple a process as possible for iwi members, the option of a collective iwi card is being investigated.

### TRAINING INTERNSHIPS

BNZ offer a cadetship programme and as we develop relationships with other banking facilities we will be looking to see what they can offer our members such as; cadetship programmes and financial literacy courses for our marae and hapū treasurers.

### Taranaki Savings Bank – was the TSB considered as the banking facility for Te Kotahitanga o Te Atiawa?

When the Trust was formed and looked at who it would build a financial banking relationship with we looked at many establishments, including the TSB, and got them all to provide TKoTA with a business proposal. After analysis it was seen that although the TSB had good local and community strategies, they did not have the same level of commercial/business infrastructure as some of the others. We recognise the role of the TSB Community Trust and the benefits it provides to our community in terms of grants/funding and we have not closed off the TSB as an option in the future. We chose to go with the BNZ as they offered the best service for what we were looking for at the time, but as we manage our day-to-day business we are looking and reviewing banking options all the time

### RETURN OF MOTUNUI EPA

The Chair acknowledged all those involved in this special time for our iwi. It was an opportunity for the Trust to support the hapū who took the lead in this kaupapa. Acknowledgement to Garry Nicholas and Peter Moeahu who travelled over to Geneva to support the epa's journey back to Aotearoa and all those whanau who were involved in the journey to get our taonga home from Wellington and those who fought long and hard to bring the epa home – mihi nui ki a tātou katoa. It is also important to note we have one of our own, Glenn Skipper, looking after the taonga here in Puke Ariki.

### HAPŪ ENGAGEMENT

The Trust are deeply aware of the need to build relationship with hapū and during this interim period have established hapū engagement at several levels. Engagement does not sit only with hapū but also the wider iwi members as we move forward. The interim Trust believes it has made positive inroads - starting conversations and these will be built on by the new Board who will have more of a mandate.

#### Hapū Inclusiveness

Endorsement from members present on the Trust's commitment to dialogue with hapū and encourage the new Board to continue with the hapū chairs/delegate hui, as the hapū feel this is a good mechanism for hapū relationship building, healing mamae and creating inclusiveness.

### FINANCIAL STATEMENTS/SUMMARY

The Chair introduced Wiwini Hakaraia (Ernst & Young – Tahī Ltd), representative of the accountants for Te Kotahitanga o Te Atiawa Trust, who provided a summary and explanation of the Trust accounts as included in the Annual Report:

Key points to note are:

1. The accounts being presented are for a 15 month period, from 1 April 2014 to 30 June 2015.
2. The accounts being presented today are still nearing the completion of the audit. Due to the size of the quantum received by Te Atiawa the Trust is now required to report under Level 2 of the International Financial Reporting Standards (IFRS) and this has caused a delay in their completion. There is no issue with the financial figures but the new standard requires a higher level of disclosure and more extensive supplementary notes hence the delay in presentation.

### QUESTIONS RAISED FROM FLOOR

#### Is the financial/transfer of assets from MIO (TATST) included in these accounts?

Clarification that these accounts do not contain any other related parties. When the transfer of the MIO assets is transferred over they will show up in notes under 'Related Parties'.

#### How is the current interest being managed?

The interest earned is currently sitting in short term bank deposits.

#### Where do returned Trustees fees sit in accounts?

Returned trustees fees are showing under operating revenue as koha received.

### EXPLANATION OF THE TAIA EXPENSES

This was due to a number of expenses incurred by TAIA through the process of carrying out activities to conclude the negotiation, and the establishment costs. TKoTA Board made the decision to resolve this via a service agreement. Once the TAIA financial accounts are finalised and TAIA is wound up a full report will be available.

Acknowledgement from floor (Te Urumairangi Ritai/Mahou Waru) to Trustee (Kim Skelton) for her mahi and koha of trustee fees to Te Kotahitanga o Te Atiawa.

#### Resolution

**IT WAS MOVED** (Grant Knuckey/Keith Holswich) that the financial statements for Te Kotahitanga o Te Atiawa Trust for 15 month period, 1 April 2014 to 30 June 2015 be received **CARRIED**

### APPOINTMENT OF AUDITOR

Proposals were received from three different auditor firms. The Trust did an evaluation of the proposals and recommend that BDO Taranaki Audit be appointed as auditor for the 2015/2016 year.

#### Resolution

**IT WAS MOVED** (Makere Pike/Keith Holswich) that BDO Taranaki Audit be appointed as auditors to the Trust for the 2015/2016 year. **CARRIED**

### TRUSTEE REMUNERATION

The Trust Deed does not require a resolution at the AGM to set and approve fees, but the current Trustee want to make this a transparent process to members.

Independent reports were sought from Strategic Pay Limited and also a fee report from IOD (Institute of Directors). This information was considered and evaluated before a decision was made on the trustee's remuneration fees. The confirmed level of remuneration is as below:

Chairperson	\$37,000 per annum
Deputy Chairperson	\$23,125
Trustee	\$18,500

#### Recommendation

(Grant Knuckey) It was recommended that the level of remuneration for the Te Kotahitanga o Te Atiawa Trustee be accepted.

### STRATEGIC PLAN

*Te Iho Whenua, Te Iho Tangata, Empowering our Communities, Sustaining our place*

It is proposed that the framework (page 27 of report) will form the basis of the Te Kotahitanga o Te Atiawa Strategic Plan and we are seeking feedback from iwi members on the key elements as identified in the plan. The next phase of the strategic planning process is to wānanga the specific objectives, aims and aspirations under each of the three strategic priority areas with hapū and whanau.

#### Feedback

- Need to look at our Te Atiawa youth and include them in strategy – youth development should be a priority
- Forms of communications with whanau outside of hui – website/facebook
- Need to include technology as we move forward

#### Can the Head Lands of Agreement around Waitara Endowment be put on hold until the objectives are in place?

No, we are unable to put on hold as the timeframes are set by the New Plymouth District Council (NPDC), the Trust is meeting regularly with the Waitara hapū and once the NPDC proposal is finalised further iwi hui will be facilitated.

### ANNUAL PLAN

The Trust have developed an Annual Plan during the period of the interim trustees:

- Strategic Planning and Development
- Implement, Transition and Establishment Process
- Engagement, Relationships and Representation

#### Resolution

**IT WAS MOVED** (Te Urumairangi Ritai/Chona Telford) that the 2015 Annual Report be received and accepted. **CARRIED**

### 2015 TE KOTAHITANGA O TE ATIWA TRUSTEE ELECTION – CONFIRMED RESULTS

The Chair introduced the Te Kotahitanga o Te Atiawa Trust Interim Board Trustees to the meeting and thanked them on her behalf for their mahi and support over the term to get on and do the business. Acknowledgement was extended to the outgoing trustees – Andrea Williams, Peter Moeahu and Keith Holswich. Andrea Williams will remain on the Te Atiawa Fisheries Trust and Asset Company.

The Chair formally announced the confirmed result of the 2015 Trustee Election and welcomed the new board who were all in attendance, excluding Shelley Kopu who had extended her apology.

**Confirmed Results:** Liana Poutu, Wharehoka Wano, Garry Nicholas, Shaun Keenan, Shelley Kopu, Kim Skelton and Kura Denness duly elected as Trustees for Te Kotahitanga o Te Atiawa Trust.

An acknowledgement of thanks was extended to all nominees, any seven of the candidates would have been a great board and it was humbling to have such an extremely capable group of people coming forward.

There is definitely work to be done on increasing voting participation. The Trust acknowledges the concerns around the iwi database and that they are committed to resolving any issues that member have regarding registrations.

## GENERAL BUSINESS

### TARANAKI MAORI TRUST BOARD (TMTB) (WHAREHOKA WANO)

Current key issues:

- Repurposing of TMTB to make it more relevant and aligned to current Taranaki Iwi structures
- Negotiation with Crown on the level of annuity payment
- TMTB Election – nomination closed 11 September 2015. Two iwi within rohe will be going to election process – Ngāti Tama and Ngāruahine. Only one nomination was received for Te Atiawa, Wharehoka Wano, so an election is not required
- TMTB AGM – 10am Sunday 15th November 2015 –  
**Host:** Ngāti Mutunga
- **Channels for reporting back to iwi have been:**  
Te Kotahitanga o Te Atiawa, Te Atiawa Taranaki Settlements Trust, Te Atiawa Kaumatua – Tui Ora and Te Atiawa Hapū Leadership.

### TARANAKI TŪ MAI – FRIDAY 20TH – SUNDAY 22ND NOVEMBER 2015, NGĀTI MUTUNGA, URENUI

Registrations now open – \$5 per person, children 12 and under free (your registration cost includes a hangi). This kaupapa is a great opportunity for our iwi to come together and participate as Te Atiawa in a range of events – sport, kapa haka and wānanga. The Te Kotahitanga o Te Atiawa office is co-ordinating activities as we begin preparation for this event – any queries ring 06 7584865.

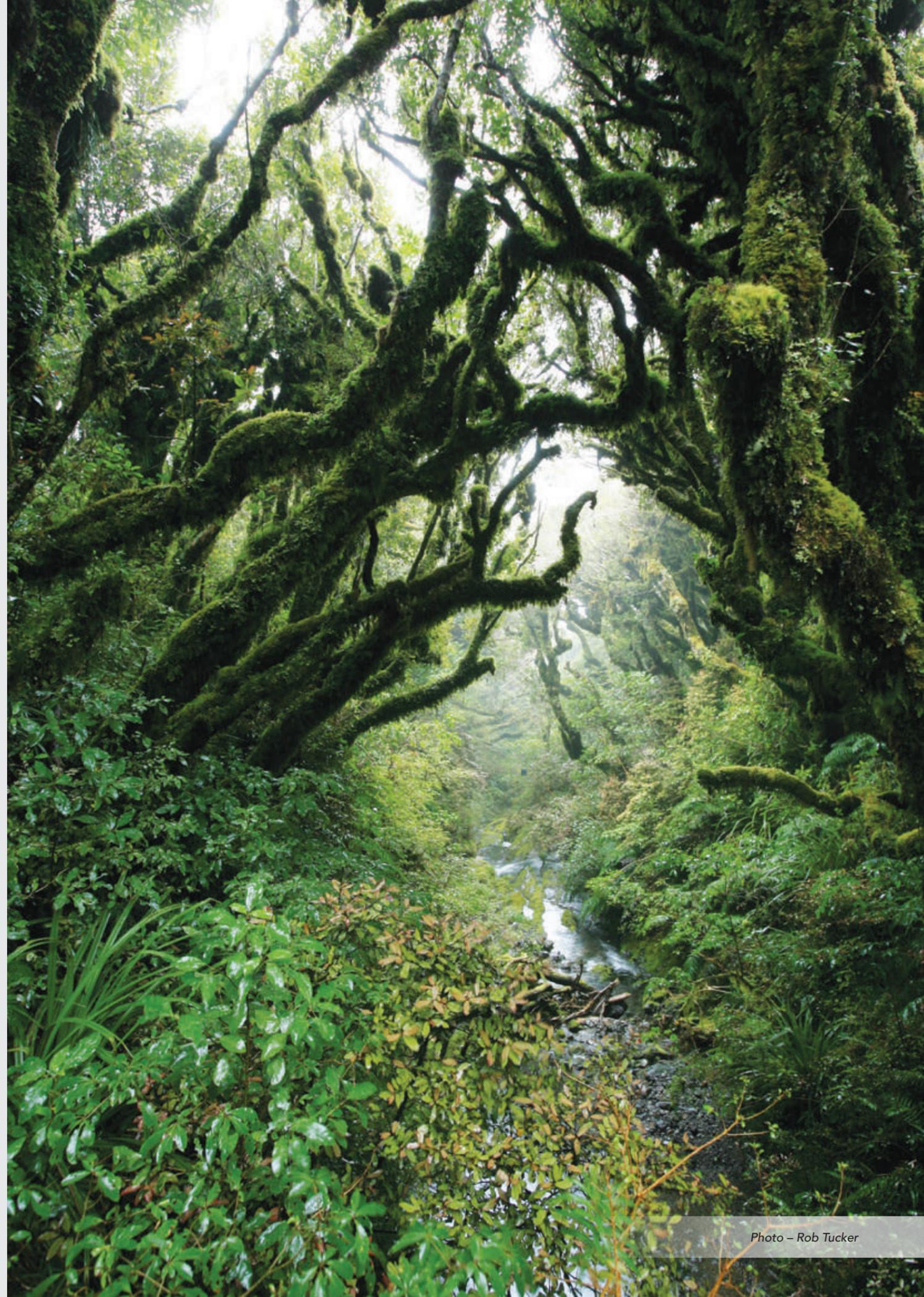
### TE TOI TŪ O TARANAKI – TARANAKI ARTISTS WĀNANGA – FRIDAY 16TH OCTOBER, 5.30PM – TE NIHO O TE ATIWA, PARIHAKA

In this upcoming wānanga Te Toi Tū o Taranaki aims to support our Taranaki Māori artists through wānanga that tell our stories and help inform the creative work they do. This first wānanga will focus on whanaungatanga and how Taranakitanga influences the work they do.

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Attendees were asked to review the list of names for the un-locatable members to see if they could provide any information.

Mahou Waru closed the hui with karakia at 12.54pm.





TE KOTA HITANGA O  
**TE ATAWA**  
TARANAKI